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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001141

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SUBJECT: PAN-BLUE TRUMPETS MA'S U.S. VISIT

REF: TAIPEI 1122

Classified By: AIT Director Stephen M. Young, Reason(s): 1.4 (B/D).

¶1. (C) Summary: KMT Chairman Ma Ying-jeou used his recent U.S. visit to boost his chances in the 2008 presidential race and recast the party's overly passive policy into an active plan to improve cross-Straits relations. Despite our denials, Pan-Blue contacts insist that Ma received red carpet treatment during the visit because the USG endorses him as a future president and also wanted to retaliate against President Chen for tampering with the National Unification Council and Guidelines. In deciding to meet publicly with Chen on April 3, some KMT pols claim Ma is responding to U.S. requests to try to improve inter-party cooperation. In reality he is taking a major gamble that could change Taiwan's political terrain. End Summary.

A "New" Active KMT Cross-Straits Policy

¶2. (C) In the wake of Ma's return from the U.S. Pan-Blue contacts were eager to tell AIT that Ma's visit was a triumph. KMT leaders acknowledge that while Ma said little in the United States that was new, he nonetheless made important advances by recasting the KMT's passive policy of preserving the status quo into an active plan with specific objectives to strengthen Taiwan's position. In the past, KMT legislator and close Ma adviser Lai Shyh-bao explained, the KMT had offered only "more of the same," faring poorly when compared with the DPP and its active campaign for Taiwan independence. By laying out a plan to improve cross-Straits relations and to secure economic and political benefits for Taiwan, Lai argued, Ma has put the KMT back on the offensive and increased the popular appeal of Ma and the party.

¶3. (C) Ma's U.S. visit marked the start of his 2008 presidential campaign, both Lai and KMT Mainland Affairs Director Chang Jung-kung told AIT. Ma's "Five Do's" formulation, both men said, will be the main plank of Ma's presidential platform. Chang acknowledged that Ma omitted one element of the May 2005 Lien-Hu statement -- establishing a platform of communication between the KMT and the CCP -- in his "5 Do's." This was because the KMT and CCP already have established communication channels, explained Chang, adding that Ma may also have intended to de-emphasize the party-to-party nature of the KMT's relationship with Beijing. Chang surmised that by so doing Ma intended to show respect

for the U.S. call for direct communication between Beijing and Taipei.

Where Do the Problems Lie?

14. (C) Securing PRC cooperation to expand Taiwan's international "living space" will not be a problem for Ma, Chang told AIT. Beijing will want to cooperate with Ma and the KMT to boost Ma's popularity and increase his chances of defeating the DPP for the presidency. If the DPP tries to argue that the KMT has subverted Taiwan's sovereignty in exchange for greater international living space, Chang said he was confident that the KMT could counter that the DPP government itself has already accepted concessions he claimed the KMT had secured from Beijing, e.g. increased WHO participation.

15. (C) Progress on cross-Strait confidence-building measures will only be possible if the KMT wins the presidency in 2008, Chang told AIT. To avoid helping or encouraging President Chen, Beijing will be unwilling to reduce or relocate missiles deployed opposite Taiwan until he steps down, Chang predicted. In the interim, however, the KMT might be able to get China to "freeze" the number of missiles as a gesture of goodwill toward Taiwan.

16. (C) Ma holds a special place among Taiwan politicians because he can publicly criticize China without provoking a PRC response. People First Party (PFP) Public Affairs advisor Liao Wen-chang told AIT China understands that for Ma to win in 2008, he must not be perceived by voters as being too pro-China. For this reason, Beijing lets Ma get away

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with criticizing its political system and human rights record to avoid giving President Chen an opening to turn his own anti-China rhetoric against Ma.

17. (C) The widespread public perception in Taiwan that the PRC dislikes Ma because of his harsh anti-Communist stance is wrong, according to Lai Shyh-bao. He told AIT that China has accepted this lesser problem to prevent the greater problem of Taiwan independence. Moreover, Ma's unwavering opposition to communism will benefit him during the presidential campaign, Lai predicted. Like late President Chiang Ching-kuo, Lai observed, Ma hopes that closer ties will enable Taiwan to serve as a catalyst in China's democratization.

Pan-Blue Sees U.S. Endorsement

18. (C) Liao claimed the USG went out of its way to boost Ma Ying-jeou by facilitating high-level meetings and "going public with them." When contrasted with the reception DPP Chairman Su Tseng-chang received in July 2005, Liao said, Pan-Blue leaders viewed Ma's red carpet treatment as an overt endorsement of Ma as Taiwan's future president. This, Liao asserted, was a deliberate American effort to reduce President Chen's stature and influence in retaliation for his decision to "cease the functioning/application" of the National Unification Council and Guidelines.

Positive Impact on Ma-Lien Relations

19. (C) Chang suggested that Ma's public embrace in the U.S. of the Lien-Hu consensus will help Ma improve his relations with Lien. Chang noted that Ma consulted with Lien before traveling to the U.S. Relations between Ma and LY Speaker Wang Jin-pyng remain strained, Chang noted. In this context, Ma is actively courting Lien's support as an important ally. Ma probably hopes that, as he improves his own relations with Lien, Lien will act to rein in Wang so Ma himself doesn't have to.

Confident Enough to Face Chen?

¶10. (C) Pointing to the public meeting between Ma and Chen Shui-bian scheduled for April 3 to discuss Ma's U.S. visit, Chang told AIT that he and other senior KMT advisers strongly opposed Ma meeting with Chen because of the political fallout suffered by Lien Chan and James Soong after their meetings with the president. Chang suggested that in deciding to go ahead with the Chen meeting, Ma may be trying to claim that he is responding to U.S. requests to improve inter-party cooperation. Chang said he suspects Ma will use the meeting to try to put himself on an equal footing with President Chen, and to explain his cross-Straits policy to the entire island.

Comment: Ma Gambles on Meeting Chen

¶11. (C) The Pan-Green have generally downplayed Ma's visit, but they have generally been too preoccupied with their own internal turmoil (septel) to devote as much attention to Ma as our exulting Pan-Blue contacts. Taiwan's Pan-Blue media have proclaimed Ma's visit to the U.S. a triumph and have argued that Washington was signaling through its high-level meetings with Ma that it hoped Ma could "rein in" President Chen (reftel). Our repeated statements to the contrary have been acknowledged but have not thus far changed the assessment, at least in the pro-Blue media.

¶12. (C) Ma's decision to meet Chen and to do it in the glare of TV cameras is a major gamble. Despite Ma's recent successes, Chen is still regarded as the better instinctive politician. Chen will likely seek to use the meeting, which he will host in the Presidential office, to cut Ma down to size. If Chen manages to remain calm and presidential, he will have a good chance of suggesting that Ma's cross-Straits pronouncements were naive and perhaps even irresponsibly pro-Chinese. If Ma can present himself as a responsible and

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respectful advocate of stability and prosperity, he may leave Chen looking nasty and short-sighted. In either case, Taiwan's political terrain may be changed significantly by Monday's public political theater.
YOUNG